EXCERPT FROM OCTOBER 11-12, 1999
ENRON CORP. BOARD OF DIRECTORS MEETING

Mr. Winokur then discussed information concerning an unaffiliated investment partnership, LJM 2, and stated that the partnership could possibly provide the Company with an alternative, optional source of private equity to manage its investment portfolio risk, funds flow, and financial flexibility. He noted that Mr. Andrew S. Fastow would be acting as the managing partner of LJM 2 and discussed Mr. Fastow's role in the LJM 2 partnership. He commented on the controls that would be put in place to manage any transactions between the Company and LJM 2 and noted that the Company and LJM 2 were not obligated to one another in any way. He noted that the controls include review and approval of all transactions by the Chief Accounting Officer and the Chief Risk Officer of the Company. He stated that the Audit and Compliance Committee would, on an annual basis, review all transactions completed within the past year and make any recommendations they deemed appropriate. He stated that the Company's Conduct of Business Affairs Policies (relating to investments and outside business interests of officers and employees) would prohibit Mr. Fastow from participating in LJM 2 as managing partner due to his position as Executive Vice President and Chief Financial Officer of the Company, absent appropriate reviews and waivers from the Board and a finding that such participation does not adversely affect the best interests of the Company. He recommended that such review and findings be made in this instance, his motion was duly seconded by Mr. Urquhart, and carried, and the following resolutions were approved:

WHEREAS, Andrew S. Fastow serves as the Executive Vice President and Chief Financial Officer of the Company;

WHEREAS, Mr. Fastow has the opportunity to participate in the formation of an investment partnership (the "Partnership") that would not be affiliated with the Company;

WHEREAS, it is anticipated that Mr. Fastow will serve as the managing partner/manager of the Partnership;

WHEREAS, it is anticipated that the Partnership will invest in energy and communications-related businesses and assets, including businesses and assets of the Company;

WHEREAS, the Partnership, as a potential ready purchaser of the Company's businesses and assets or as a potential contract counterparty, could provide liquidity, risk management, and other financial benefits to the Company;

WHEREAS, the Office of the Chairman of the Company has determined, for the foregoing reasons, that Mr. Fastow's participation as the managing partner/manager of the Partnership will not adversely affect the interests of the Company;

NOW, THEREFORE IT IS RESOLVED, that the Board hereby adopts and ratifies the determination by the Office of the Chairman pursuant to the Company's Conduct of Business Affairs/Investments and Outside Business Interests of Officers and Employees that participation of Mr. Fastow as the managing partner/manager of the Partnership will not adversely affect the interests of the Company; and

RESOLVED FURTHER, that the proper officers of the Company and its counsel be, and each of them hereby is, authorized, empowered, and directed (any one of them acting alone) to take any and all such further action, to amend, execute, and deliver all such further instruments and documents, for and in the name and on behalf of the Company, under its corporate seal or otherwise, and to pay all such expenses as in their discretion appear to be necessary, proper, or advisable to carry into effect the purposes and intentions of this and each of the foregoing resolutions.

EXCERPT FROM OCTOBER 11, 1999
ENRON CORP. FINANCE COMMITTEE MEETING

Mr. Winokur called upon Mr. Fastow to present the Chief Financial Officer's report. Mr. Fastow reviewed the Company's key financial ratios and long-term liability analysis, noting the mix between fixed and floating rate liabilities and on-balance and off-balance sheet debt. He discussed the Company's stock trading portfolio and noted changes since the beginning of the year. He reviewed the investments made year-to-date by each business unit and compared them to the plan amount. He discussed the status of capital commitments year-to-date and commented on the transactions the Company had taken or would be taking to fund the cash outflows and noted the importance of funds flow to the Credit Rating Agencies. He distributed a handout on funds flow, a copy of which is filed with the records of the meeting. He discussed issues impacting funds flow and how the Company was managing funds flow, including vehicles currently in place and the strategy for the future. A copy of Mr. Fastow's report is filed with the records of the meeting.

Mr. Fastow then updated the Committee on a financing structure approved earlier in the year, LJM 1, and discussed the benefits that the Company had incurred since the transaction closed on June 30, 1999. He recommended that the Company continue to syndicate capital investments to address the funds flow issue. He presented information concerning an unaffiliated investment partnership, LJM 2, and discussed the rationale and benefits of the proposed partnership. He stated that the partnership could possibly provide the Company with an alternative, optional source of private equity to manage its investment portfolio risk, funds flow, and financial flexibility. He noted that he would be acting as managing partner of LJM 2 and discussed his role in the LJM 2 partnership and how it would benefit the Company. He commented on the differences between LJM 1 and LJM 2, the controls that would be put in place to manage any transactions between the Company and LJM 2, the fund fees and promote, and any required disclosure. He noted that the controls include review and approval of all transactions by the Chief Accounting Officer and the Chief Risk Officer of the Company. He stated that the Audit and Compliance Committee would, on an annual basis, review all transactions completed within the past year and make any recommendations they deemed appropriate. He noted that the Company's Conduct of Business Affairs Policies (relating to investments and outside business interests of officers and employees) would prohibit him from participating in LJM 2 as managing partner due to his position as Executive Vice President and Chief Financial Officer of the Company, absent appropriate reviews and waivers from the Board and a finding that such participation does not adversely affect the best interests of the Company. He asked that the Committee recommend to the Board that such review and findings be made in this instance to allow his participation. Messrs. Causey, Fastow, and Skilling answered questions from the Committee concerning the role of other partners, the review by Arthur Andersen LLP, and the benefits to the Company, which included having another potential buyer of assets and provider of capital, of having Mr. Fastow act as managing partner. Following a discussion, upon motion duly made by Mr. Meyer, seconded by Mr. Blake, and carried, the proposed waiver of the aforementioned policy, including findings of no adverse effects to the best interests of the Company related to Mr. Fastow's involvement in LJM 2, was approved for recommendation to the Board. A copy of Mr. Fastow's report is filed with the records of the meeting.